

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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Mailing Online Service

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Docket No. MC98-1

ANSWER OF THE OFFICE OF THE CONSUMER ADVOCATE
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
(USPS/OCA-1-2)
(FEBRUARY 22, 1999)

The Office of the Consumer Advocate hereby submits answers of the Office of the Consumer Advocate to interrogatories USPS/OCA-1-2, dated February 12, 1999. The interrogatories are stated verbatim and are followed by the responses.

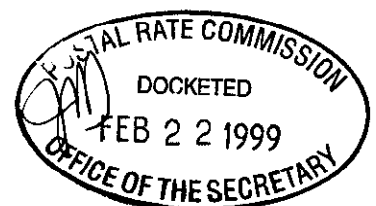
Respectfully submitted,

Shelley S. Dreifuss

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Attorney

Office of the Consumer Advocate



ANSWERS OF THE OFFICE OF THE CONSUMER ADVOCATE
TO INTERROGATORIES USPS/OCA-1-2

USPS/OCA-1. On page 9 of the Office of the Consumer Advocate Response to Issue No. 5 of Notice of Inquiry No. 1, filed February 8, 1998, the OCA states that "[o]nly those services that are facilitated or purchased at the POL website benefit from the marketing of POL."

(a) Please confirm that the POL website can be used to purchase First-Class Mail and Standard Mail (A), through Mailing Online.

(b) Please confirm that Shipping Online provides a means to purchase Express Mail and Priority Mail.

(c) Does the OCA agree that Postal Service advertising for POL may be in part driven by goals of facilitating the usage of First-Class Mail, Express Mail, Priority Mail, and Standard Mail (A)? If not, please explain.

(d) Assuming that Postal Service advertising for POL is in part driven by goals of increasing volumes of First-Class Mail, Express Mail, Priority Mail, and Standard Mail (A), should these classes and subclasses of mail bear some responsibility for the costs of this advertising? Please explain your answer completely.

A. (a) Not confirmed. First-Class Mail and Standard Mail (A) can only be purchased as adjuncts to Mailing Online. Neither can be purchased directly at the POL website independent of an MOL transaction.

(b) Confirmed.

(c) OCA agrees that POL advertising may be driven in part by the goal of facilitating the usage of Express Mail and Priority Mail. Postage for Express Mail and Priority Mail can be paid by credit card at the POL website. Also, Express Mail pieces, whether purchased at the POL website or by other means can be tracked at the POL website. Similarly, purchasers of Priority Mail Delivery Confirmation can obtain confirmation of delivery at the POL website, regardless of where the Delivery Confirmation service was purchased.

By contrast, First-Class Mail and Standard Mail (A) cannot be purchased at the POL website unless printing services via Mailing Online are also purchased.

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(d) OCA is unable to make this assumption, as is clear from the answer to part (c) above. OCA can agree that Mailing Online, Express Mail, and Priority Mail should bear responsibility for the costs of POL advertising. This was discussed at length, and advocated, in OCA's Response to Issue No. 5 of Notice of Inquiry No. 1.

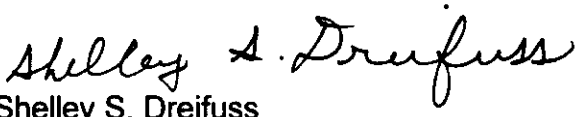
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USPS/OCA-2. On page 10 of the Office of the Consumer Advocate Response to Issue No. 5 of Notice of Inquiry No. 1, filed February 8, 1998, the OCA "proposes that the relative usage of POL for access to the various services available at the site is the logical distribution key [for advertising costs]." Consider a hypothetical in which POL provides only two services, Shipping Online (SOL) and Mailing Online (MOL). Please assume that over a given time period there are 60 MOL transactions and 40 SOL transactions. Please further assume that over that same period, advertising costs for POL total \$100. Please confirm that the OCA's distribution approach would distribute \$60 of advertising costs to MOL and \$40 to SOL. If you do not confirm, please explain.

A. Confirmed.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the rules of practice.


Shelley S. Dreifuss
Attorney

Washington, DC 20268-0001
February 22, 1999